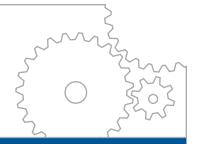


# **Indiana Economic Development Corporation**



# **CReED**

## COMMUNITY REVITALIZATION ENHANCEMENT DISTRICT TAX CREDIT

## **DESCRIPTION**

The Community Revitalization Enhancement District (CReED) Tax Credit provides an incentive for investment in community revitalization enhancement districts (Ind. Code 36-7-13). The credit is established by Ind. Code 6-3.1-19. Please note that the CReED tax credit is not the same as the CReED financing tool established under Ind. Code 36-7-13.

#### **PROJECT ELIGIBILITY**

The credit is available to taxpayers that make qualified investments for the redevelopment or rehabilitation of property located within a revitalization district. Only those projects that the IEDC expects to have a positive return on investment will be considered.

A taxpayer is not eligible for more than one of the following tax credits for the same project:

- Community revitalization enhancement district tax credit (CReED)
- Industrial recovery tax credit (DINO)
- Hoosier business investment tax credit (HBI)
- Enterprise zone investment cost credit
- Venture capital investment tax credit (VCI)

# **ELIGIBLE QUALIFIED INVESTMENT COSTS**

The applicant's qualified investment must be made for the redevelopment or rehabilitation of property located within a CReED, pursuant to a plan adopted by an advisory commission on industrial development per Ind. Code 36-7-13, and approved by the IEDC before the expenditure is made. Eligible costs may include:

- Acquisition costs, when necessary for redevelopment or rehabilitation
- Architectural and engineering fees
- · Construction management and demolition costs
- · Environmental remediation costs

# ELIGIBLE QUALIFIED INVESTMENT COSTS—cont.

- FF&E, if nonmovable
- Permitting costs directly related to rehabilitation
- Other hard costs

Eligible costs do not include:

- Legal and accounting fees
- Developer fees
- Feasibility studies
- Property insurance
- FF&E, if movable
- Loan costs
- Other professional fees not directly related to rehabilitation of the property
- Reserves
- Other soft costs

## **CALCULATION AND APPLICATION OF CREDIT**

The credit amount is equal to the amount of qualified investment made by the taxpayer during the taxable year multiplied by 25%.

The credit may be passed through (see Ind. Code 6-3.1-19-13). The credit is applied against the taxpayer's state or local tax liability, and may be carried forward to the immediately following taxable years.

#### **APPLICATION**

An application must be approved before an investment is made. See the application for additional requirements. The application can be found on the IEDC's website.